

\_\_\_\_\_ BILL NO. \_\_\_\_\_

INTRODUCED BY \_\_\_\_\_

(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING FOR THE MONTHLY PAYMENT OF PROPERTY TAXES, ITEMIZED SERVICES, AND SPECIAL ASSESSMENTS; IMPOSING CONDITIONS IN THE FIRST YEAR THAT A PROPERTY TAXPAYER ELECTS TO MAKE MONTHLY PAYMENTS; PROVIDING THAT CENTRALLY ASSESSED PROPERTY DOES NOT QUALIFY FOR MONTHLY PAYMENTS; REQUIRING THAT AT LEAST \$600 BE DUE IN ANNUAL PROPERTY TAXES TO QUALIFY FOR MONTHLY PROPERTY TAX PAYMENTS; REVISING THE DATE FOR TAX SALES; REVISING THE DATE OF NOTICE OF PENDING TAX SALE; AMENDING SECTIONS 7-12-4188, 15-16-101, 15-16-102, 15-16-103, 15-16-301, 15-17-122, 15-18-112, AND 15-23-507, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY PROVISION."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 7-12-4188, MCA, is amended to read:

**"7-12-4188. Due date for district assessments.** (1) All special assessments or installments of special assessments in cities and towns, ~~duly and regularly~~ levied by resolution according to law, ~~shall be~~ are payable in installments as provided in 15-16-102 follows:

~~\_\_\_\_\_ (a) one-half of the payment on or before 5 p.m. on November 30 of each year; and~~

~~\_\_\_\_\_ (b) one-half of the payment on or before 5 p.m. on May 31 of the following year.~~

(2) ~~In the event the same~~ If the installments are not paid ~~on or before said by the dates specified in 15-16-102,~~ the ~~same shall be~~ installments are subject to the same interest and penalties for nonpayment as delinquent property taxes under 15-16-102."

**Section 2.** Section 15-16-101, MCA, is amended to read:

**"15-16-101. Treasurer to publish notice -- manner of publication.** (1) Within 10 days after the receipt of the property tax record, the county treasurer shall publish a notice specifying the time and place at which payment of taxes may be made and that unless a qualifying taxpayer has elected to pay property taxes on a monthly basis as provided in 15-16-102:

(a) ~~that~~ one-half of all taxes levied and assessed will be due and payable ~~before~~ by 5 p.m. on the next

1 November 30 or within 30 days after the notice is postmarked and that unless paid ~~prior to~~ by that time the  
2 amount ~~then~~ due will be delinquent and will draw interest at the rate of 5/6 of 1% per month from the time of  
3 delinquency until paid and 2% will be added to the delinquent taxes as a penalty; and

4 (b) ~~that~~ one-half of all taxes levied and assessed will be due and payable ~~on or before~~ by 5 p.m. on the  
5 next May 31 and that unless paid ~~prior to~~ by that time the taxes will be delinquent and will draw interest at the  
6 rate of 5/6 of 1% per month from the time of delinquency until paid and 2% will be added to the delinquent taxes  
7 as a penalty; ~~and~~

8 ~~(c) the time and place at which payment of taxes may be made.~~

9 (2) (a) The county treasurer shall send to the last-known address of each taxpayer a written notice,  
10 postage prepaid, showing the amount of taxes and assessments due for the current year and the amount due  
11 and delinquent for other years. The written notice must include:

12 (i) the taxable value of the property;

13 (ii) the total mill levy applied to that taxable value;

14 (iii) the value of each mill in that county;

15 (iv) itemized city services and special improvement district assessments collected by the county;

16 (v) the number of the school district in which the property is located; and

17 (vi) the amount of the total tax due that is levied as city tax, county tax, state tax, school district tax, and  
18 other tax.

19 (b) If the property is the subject of a tax sale for which a tax sale certificate has been issued under  
20 15-17-212, the notice must also include, in a manner ~~calculated~~ designed to draw attention, a statement that the  
21 property is the subject of a tax sale and that the taxpayer may contact the county treasurer for complete  
22 information.

23 (3) The municipality shall, upon request of the county treasurer, provide the information to be included  
24 under subsection (2)(a)(iv) ready for mailing.

25 (4) The notice in every case must be published once a week for 2 weeks in a weekly or daily newspaper  
26 published in the county, if there is one, or if there is not, then by posting it in three public places. Failure to  
27 publish or post notices does not relieve the taxpayer from any tax liability. Any failure to give notice of the tax  
28 due for the current year or of delinquent tax ~~will~~ does not affect the legality of the tax.

29 (5) If the department revises an assessment that results in an additional tax of \$5 or less, an additional  
30 tax is not owed and a new tax bill does not need to be prepared."

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2       **Section 3.** Section 15-16-102, MCA, is amended to read:

3       **"15-16-102. Time for payment -- penalty for delinquency.** (1) (a) Unless suspended or canceled  
4 under the provisions of Title 15, chapter 24, part 17, all taxes levied and assessed in the state of Montana,  
5 except including assessments made for special improvements in cities and towns payable under 7-12-4188 and  
6 15-16-103, are payable as follows:

7       ~~(1)(i) One-half~~ one-half of the taxes are payable ~~on or before~~ by 5 p.m. on November 30 of each year  
8 or within 30 days after the tax notice is postmarked, whichever is later, and one-half are payable ~~on or before~~  
9 by 5 p.m. on May 31 of each year; or

10       (ii) if a qualifying taxpayer elects to make monthly payments, one-twelfth of the tax is payable not later  
11 than 5 p.m. on November 30 of each year or within 30 days after the tax notice is postmarked, whichever is later,  
12 and one-twelfth is payable by 5 p.m. on December 31 of the current year and on January 31, February 28, March  
13 31, April 30, May 31, June 30, July 31, August 28, September 30, and October 31 of the following year, as  
14 provided in subsection (3).

15       ~~(2)(b) Unless one-half the applicable percentages of the taxes are paid on or before~~ by 5 p.m. on  
16 ~~November 30 of each year or within 30 days after the tax notice is postmarked, whichever is later the date due,~~  
17 the amount payable is delinquent and draws interest at the rate of 5/6 of 1% a month from and after the  
18 delinquency until paid and 2% must be added to the delinquent taxes as a penalty.

19       ~~(3) All taxes due and not paid on or before 5 p.m. on May 31 of each year are delinquent and draw~~  
20 ~~interest at the rate of 5/6 of 1% a month from and after the delinquency until paid, and 2% must be added to the~~  
21 ~~delinquent taxes as a penalty.~~

22       ~~(4)(2)~~ (a) If the date on which taxes are due falls on a holiday or Saturday, taxes may be paid without  
23 penalty or interest ~~on or before~~ by 5 p.m. of the next business day in accordance with 1-1-307.

24       (b) If taxes on property qualifying under the low-income property tax assistance provisions of  
25 15-6-134(1)(c) and 15-6-191 are paid within 20 calendar days of the date on which the taxes are due under  
26 subsection (1)(a)(i) of this section, the taxes may be paid without penalty or interest. If a tax payment is made  
27 later than 20 days after the taxes were due, the penalty must be paid and interest accrues from the date on  
28 which the taxes were due. This subsection (2)(b) does not apply to a property taxpayer who elects to pay  
29 property taxes as provided in subsection (3).

30       (3) (a) Except as provided in subsection (3)(b), a property taxpayer may elect to make property tax

payments on a monthly basis on one or more parcels of property within a county. Property taxes on centrally assessed property, as provided in 15-23-101, are not eligible for monthly payment. The taxes due on all the property in the county subject to the monthly election must be at least \$600 a year. A monthly payment election must be made on forms provided by the department by September 1 for monthly payments beginning November 30 of that year. The election to make monthly payments is in effect until the taxpayer revokes the election, the amount of property taxes due becomes less than \$600 a year, the title to any of the property is transferred, or any of the property becomes centrally assessed property.

(b) In the first year that a property taxpayer elects to make property tax payments on a monthly basis, the taxpayer shall pay one-half of the taxes due, including special improvement district assessments, by 5 p.m. on November 30. Beginning in December of the first year that the taxpayer elects to make monthly payments, the balance of the taxes due must be paid in 11 equal monthly installments by 5 p.m. on the dates specified in subsection (1)(a)(ii).

~~(5)~~(4) A taxpayer may pay current year taxes without paying delinquent taxes. The county treasurer shall accept a partial payment equal to the delinquent taxes, including penalty and interest, for one or more full ~~taxable~~ tax years, provided that taxes for both halves of the current tax year have been paid. Payment of taxes for delinquent taxes must be applied to the taxes that have been delinquent the longest. The payment of taxes for the current tax year is not a redemption of the property tax lien for any delinquent tax year.

~~(6)~~(5) The penalty and interest on delinquent assessment payments for specific parcels of land may be waived by resolution of the city council. A copy of the resolution must be certified to the county treasurer.

~~(7)~~(6) If the department revises an assessment that results in an additional tax of \$5 or less, an additional tax is not owed and a new tax bill does not need to be prepared."

**Section 4.** Section 15-16-103, MCA, is amended to read:

**"15-16-103. Special improvement districts with annual interest payments -- collection of special assessments for all special improvements.** (1) Special assessments or installments of special assessments made for special improvements in towns and cities, the bonds for which annual interest payments have been specified and that were issued after July 1, 1981, and that have been duly and regularly made and levied by resolution according to law, ~~shall be~~ are payable as follows:

(a) ~~One-half~~ Unless the property taxpayer elects to make monthly property tax payments as provided in 15-16-102(3), one-half of the taxes are payable ~~on or before~~ by 5 p.m. on November 30 of each year. If the

1 ~~applicable percentages of the~~ taxes are not paid ~~on or before that~~ by the date due as provided in  
2 15-16-102(1)(a)(ii), they are subject to the same interest and penalty for nonpayment as delinquent property  
3 taxes under 15-16-102. The penalty and interest may be waived by resolution of the city council, as provided  
4 in 15-16-102~~(6)~~(5).

5 (b) ~~One-half~~ Unless the property taxpayer elects to make monthly property tax payments as provided  
6 in 15-16-102(3), ~~one-half~~ of the taxes are payable ~~on or before~~ by 5 p.m. on May 31 of each year. If the  
7 ~~applicable percentages of the~~ taxes are not paid ~~on or before that~~ by the date due as provided in  
8 15-16-102(1)(a)(ii) or this section, they are subject to the same interest and penalty for nonpayment as  
9 delinquent property taxes under 15-16-102. The penalty and interest may be waived by resolution of the city  
10 council, as provided in 15-16-102~~(6)~~(5).

11 (2) The collection of special assessments or installments of special assessments made for special  
12 improvements in towns and cities are as provided by 7-12-4181."  
13

14 **Section 5.** Section 15-16-301, MCA, is amended to read:

15 **"15-16-301. Delinquent list -- list of taxes suspended or canceled -- real property.** (1) On the third  
16 Monday of December and on the third Monday of June of each year, the county treasurer ~~must~~ shall make a  
17 report to the county clerk and recorder in detail, showing the amount of taxes collected for the applicable tax year  
18 and a complete list of all persons owing taxes and all property then owing for which taxes are owed.

19 (2) The county treasurer ~~must~~ shall make a separate report to the county clerk and recorder showing  
20 the amount of taxes suspended or canceled under the provisions of Title 15, chapter 24, part 17, during the  
21 6-month period immediately preceding the date of the report.

22 (3) The county clerk and recorder shall compare the reports with the books of the county treasurer and  
23 shall keep a record of the reports in ~~his~~ the clerk and recorder's office."  
24

25 **Section 6.** Section 15-17-122, MCA, is amended to read:

26 **"15-17-122. Notice of pending tax sale.** (1) The county treasurer shall publish or post a notice of  
27 pending tax sale. The notice must include:

28 (a) the specific time, date, and place of the sale at which an interest in the property on which the taxes  
29 are delinquent will be offered for sale;

30 (b) a statement that the delinquent taxes, including penalties, interest, and costs, are a lien upon the

property and that unless the delinquent taxes, penalties, interest, and costs are paid prior to the time of the tax sale, the lien will be offered for sale at the time and place specified in subsection (1)(a).

(2) The notice required in subsection (1) must also include a statement that a list of each property on which the taxes are delinquent is on file in the office of the county treasurer and open to inspection. The list must include:

(a) the name and address of the person to whom the delinquent taxes are assessed;

(b) the amounts of the delinquent taxes; and all accrued penalties, interest, and other costs; and

(c) a statement that penalties, interest, and costs will be added to the delinquent taxes.

(3) The notice must be published once a week for 3 consecutive weeks in the newspaper designated for county printing as provided in 7-5-2411. If ~~no~~ a newspaper is not published in the county, the notice must be posted by the county treasurer in three public places. The notice must be first published or posted ~~on or before~~ by the last Monday in ~~June~~ November.

(4) Except as provided in 15-17-211(2), the sale may not be held less than 21 days or more than 28 days from the date of first publication or first day the notice is posted.

(5) The sale must be held at the county courthouse.

(6) Property on which taxes are delinquent but for which proper notification was not made may not be included in the current year's notice and sale. In the event of improper notification, the sale may be held on all property properly noticed.

(7) The provisions of this section do not apply to property for which delinquent property taxes have been suspended or canceled under the provisions of Title 15, chapter 24, part 17."

**Section 7.** Section 15-18-112, MCA, is amended to read:

**"15-18-112. Redemption from property tax lien -- lien on interest in property for taxes paid.** (1)

Except as provided in subsection (4), ~~in all cases in which~~ if a property tax lien has been acquired, the purchaser may pay the subsequent taxes assessed against the property.

(2) Upon the redemption of the property from the property tax lien, the redemptioner shall, in addition to the amount for which the property tax lien was sold, including penalties, interest, and costs, pay the subsequent taxes assessed, with interest and penalty at the rate established for delinquent taxes in 15-16-102.

(3) An owner of less than all of the interest or a lienholder with an interest in real property who redeems a property tax lien on the property has a lien for the taxes paid on the interests of the property that are not owned

1 by the redemptioner.

2 (4) The property tax lien may also be redeemed for a particular tax year by a partial payment of that tax  
3 year, as provided in 15-16-102(5)(4), if:

4 (a) the property tax lien for the year in which the partial payment is made is owned by the county; and

5 (b) the tax deed has not been issued pursuant to 15-18-211."

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7 **Section 8.** Section 15-23-507, MCA, is amended to read:

8 **"15-23-507. Taxation and payment on royalty interests.** At the time of computing net proceeds  
9 assessments, the department shall also determine the royalty lists or schedules for each county in which the  
10 mines and mining claims are located. The department shall prepare from the net proceeds and royalty  
11 assessments a tax roll that must be furnished to the county treasurer ~~on or before~~ by the following September  
12 15. Upon furnishing the tax roll, the taxes are due and payable. Assessments of royalty on production of metals  
13 and minerals other than petroleum and natural gas must be entered by the department in the property tax record  
14 in the name of the recipient or owner of the royalty. The county treasurer shall give full notice of the assessment  
15 to the recipient or royalty owner and shall collect the taxes in the same manner as taxes on net proceeds of  
16 mines. Taxes on the royalty assessments and taxes on net proceeds of mines are payable at the times specified  
17 in 15-16-102(1)(a)(i), and any delinquencies in the payment are subject to the interest and penalties provided  
18 in 15-16-102."

19  
20 NEW SECTION. **Section 9. Effective date.** [This act] is effective July 1, 2003.

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22 NEW SECTION. **Section 10. Applicability.** [This act] applies to tax payments due after notice is given  
23 under 15-16-101.

24 - END -